



FAIR POLITICAL PRACTICES COMMISSION

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To: Chair Ravel and Commissioners Eskovitz, Garrett, Montgomery, and Rotunda

From: Tara Stock, Legislative Coordinator

Subject: Legislative Report

Date: March 5, 2012

The November 29, 2011, legislative report indicated that staff had discussed general ideas for legislative proposals about issues related to committee treasurers and more stringent regulation on independent expenditures. The report indicated that staff would put together specific legislative proposals; however, it has been determined that additional research and input is necessary. Staff will continue to research and obtain beneficial input and plans to put together specific proposals for your review prior to the beginning of the 2013 – 2014 Legislative Session.

Staff would like to discuss how the Commission would prefer to handle bill positions on proposals that amend the Political Reform Act and/or affect the Commission. Based on the results of that discussion, recommendations for positions may be presented for adoption at the April 5, 2012, hearing.

The 2011 – 2012 Legislative Session reconvened on January 4, 2012. Below are summaries of current legislation that affects the Political Reform Act (Act).

Legislation Approved by the Legislature and Signed by the Governor – Effective February 10, 2012

Chapter 3, Statutes of 2012 - AB 1413 (Fong)

Member Communications

This bill contains an urgency clause and became effective immediately upon approval by the Governor. It makes changes to the Act's "member communications" provisions to conform to the voter-nominated/top two primary election process. Under the Act, payments for communications to members, employees or shareholders, or families of members, employees, or shareholders of an organization for the purpose of supporting or opposing a candidate or a ballot measure are not contributions or expenditures, provided the payments are not made for general public advertising. However, previously payments made for communications by a political party to its members *who were registered with that party* which would otherwise qualify as contributions or expenditures were required to be reported. As of February 10, 2012, payments made for communications by a political party to a member *who is registered as expressing a preference for that party on his or her affidavit of registration* which would otherwise qualify as contributions or expenditures are required to be reported. The bill also includes several changes to the Elections Code.

Ongoing Legislation – Position Previously Adopted by Commission

AB 41 (Hill)

High Speed Rail Authority Members – Disqualification

Existing Law

The Act requires that certain public officials (specified in Section 87200) who have a financial interest in a governmental decision publicly identify the financial interest giving rise to the conflict of interest, recuse themselves from discussing and voting on the matter, and leave the room until after the discussion, vote and other disposition of the matter is concluded.

Proposed Law

This bill would add members of the High Speed Rail Authority to the officials specified in Section 87200 who are required to follow the disqualification procedures.

Commission Position: Support (adopted at February 11, 2011 hearing)

Status: Senate Floor

Ongoing Legislation

SB 31 (Correa)

Post-Employment Restrictions – Local Officials

Existing Law

Specified local officials (elected officials, chief administrative officers of a county, city managers, or general managers or chief administrators of a special district) may not, for a period of one year after leaving that office or employment, act as agent or attorney for, or otherwise represent, for compensation, any other person by appearing before or communicating with that local government agency, if the appearance or communication is to influence administrative or legislative action or influence any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of good or property.

Proposed Law

This bill would add “other public officials serving as members of local governing boards or commissions with decisionmaking authority” to the specified officials subject to the one year post-employment restrictions.

Status: Assembly

SB 1001 (Yee)

Lobbyist Registration Fees

Existing Law

The Secretary of State may charge each lobbying firm and lobbyist employer a fee of up to \$25 per year for each lobbyist required to be listed on its registration statement.

Proposed Law

This bill would increase the maximum annual registration fee to \$50 per year and require the Commission to adjust the fee on December 1 of each even-numbered year to reflect any increase in the Consumer Price Index.

Status: Senate Committee on Elections, Reapportionment and Constitutional Amendments

SB 1296 (Fuller)

Ballot Pamphlets

Existing Law

Upon receipt of a draft of a petition for a proposed initiative or referendum, the Attorney General is required to prepare a title and summary of the proposed measure. If the Attorney General determines

that a proposed measure would affect state or local revenues or expenditures, he or she must include in the title either the estimate or an opinion as to whether a substantial net change in state or local finances would result if the proposed initiative is adopted. The Department of Finance and the Joint Legislative Budget Committee jointly prepare the fiscal estimate that may be included in the title.

Proposed Law

The Legislative Analyst, instead of the Attorney General, would prepare the ballot title and summary for all measures submitted to the voters. And, the Legislative Analyst, instead of the Department of Finance and the Joint Legislative Budget Committee, would prepare any fiscal estimate or opinion required by a proposed initiative measure.

Status: Senate

SB 1426 (Blakeslee) – spot bill

Committee

This bill in its current form makes nonsubstantive changes to the Act's definition of "committee." There is no substantive language at this time.

Status: Senate

SB 1553 (Lowenthal)

City of Long Beach – Pilot Program for Electronic Filing of Campaign Statements

Existing Law

The Act requires elected officers, candidates for elective office, and campaign committees to file campaign statements. City officers, candidates for elective office, and campaign committees file the required campaign statements with the clerk of the city.

Proposed Law

This bill would create a pilot program for the 2013 and 2014 reporting periods that authorizes the City of Long Beach to permit any person who files a campaign statement with the city clerk to file electronically. The City of Long Beach would be required to prepare a report, including specified information, to submit to the Commission by July 1, 2015. The Commission would be required to submit the report and any comments about the report to the Legislative Analyst's Office by August 15, 2015, and the Legislative Analyst's Office would be required to provide a report to the Legislature evaluating the pilot program by February 1, 2016.

Status: Senate

AB 1509 (Hayashi)

Statements of Economic Interests – Posting by Local Agencies

Existing Law

Persons holding specified public offices are required to file Statements of Economic Interests (SEIs). Specified local elected officers file their SEIs with the city clerk or county clerk, who makes and retains a copy of each statement and forwards the original to the Commission, which acts as the filing officer for the SEIs.

Proposed Law

This bill would require a city or county clerk who maintains a website to post a notification on that website that identifies the elected officers who file SEIs with that clerk. The notification must include a statement that a copy of a SEI may be obtained by visiting the offices of the Commission or the city or county clerk. In addition, the bill would require that the notification include a link to the Commission's website and a statement that certain SEIs are available on the Commission's website.

Status: Assembly Elections and Redistricting Committee

AB 1648 (Brownley)

Advertisement Disclosure

Existing Law

The Act requires that each slate mailer identify each candidate and ballot measure that has paid to appear in a slate mailer be designated by an asterisk. The Act also places certain disclosure requirements on advertisements for or against a ballot measure broadcast or mass mailing advertisements that are paid for by an independent expenditure to support or oppose a candidate or ballot measure.

Proposed Law

This bill would require that a candidate or ballot measure appearing in a slate mailer be designated by an asterisk if the slate mailer organization or committee primarily formed to support or oppose one or more ballot measures has received payment to include the candidate or measure. The bill also makes several significant changes to the advertisement disclosure rules, including the following: 1) Radio, TV, and video ads authorized by a candidate must include a statement saying he/she approved the ad; 2) Radio, TV, and video ads that are not authorized by a candidate must disclose the top three donors of \$10,000 or more and TV and video ads must also include logos, if any, of those donors; 3) Except for committees that are controlled by a candidate, a committee that pays for an advertisement shall establish and maintain a "committee disclosure Internet Web site" with specified information.

Status: Assembly Elections and Redistricting Committee

AB 1730 (Olsen)

Legislative Transparency Act

Existing Law

The Act imposes various reporting and disclosure requirements on contributions made to or received by candidates and candidate-controlled committees.

Proposed Law

This bill would require a Member of the Legislature or a controlled committee of a Member to report within 24 hours a contribution of \$100 or more received within the seven days prior to specified legislative deadlines for a regular session of the Legislature. In addition, the bill contains provisions outside of the Act, which would prohibit either house of the Legislature from voting on a bill until it has been available on a public website for at least 72 hours (unless the house dispenses this requirement by a 2/3 vote), and would require the Rules Committees to provide to each Member of the Legislature a monthly report of that Member's office budget.

Status: Assembly

AB 1881 (Donnelly)

Disclosure Threshold for Non-Candidate Controlled Committees

Existing Law

The Act requires that all campaign committees disclose in campaign statements specified information, including the name and address of contributors of \$100 or more.

Proposed Law

This bill would prohibit a committee that is not controlled by a candidate from disclosing in a campaign statement the name and address of a person whose cumulative contributions to that committee are less than \$5,000.

Status: Assembly

AB 2054 (Fong) – spot bill**Civil Service Classification**

This bill in its current form makes nonsubstantive changes to a provision of the Act. There is no substantive language at this time.

Status: Assembly

AB 2062 (Davis)**Statements of Economic Interests – Electronic Filing****Existing Law**

The Counties of Los Angeles, Merced, Orange, Santa Clara, and Ventura and the City of Long Beach are authorized to permit electronic filing of Statements of Economic Interests (SEIs) as part of a pilot project that is scheduled to end as of March 1, 2012.

Proposed Law

This bill contains an urgency clause so, if approved, the provisions will be effective immediately. It would allow all filing officers to permit the electronic filing of SEIs upon system approval and certification from the Commission. In addition, it would allow the agencies that are currently accepting SEIs electronically to continue to do so until their systems are certified by the Commission.

Status: Assembly

AB 2129 (Cook)**Enforcement of San Bernardino County Campaign Ordinance****Existing Law**

The Commission has the primary responsibility for the impartial, effective administration and implementation of the Act, including acting as the civil prosecutor responsible for the enforcement of the penalty provisions of the Act.

Proposed Law

The Commission shall have primary responsibility for the impartial, effective administration and implementation of the Campaign Reform Ordinance of the County of San Bernardino upon adoption of an ordinance or resolution by the board of supervisors that makes the provisions applicable.

Status: Assembly

AB 2162 (Portantino)**Statements of Economic Interests (SEI) – Fair Market Value****Existing Law**

The SEI (Form 700) provides four options for reporting the fair market value of investments, interests in real property, and income: \$2,000 - \$10,000; \$10,001 - \$100,000; \$100,001 - \$1,000,000; and over \$1,000,000.

Proposed Law

This bill would revise the fair market value ranges to provide the following 8 options for investments and real property interests: \$2,000 - \$25,000; \$25,001 - \$100,000; \$100,001 - \$250,000; \$250,001 - \$500,000; \$500,001 - \$1,000,000; \$1,000,001 - \$5,000,000; \$5,000,001 - \$10,000,000; and more than \$10,000,000. It would also revise the fair market value ranges to provide the following 10 options for sources of income: \$500 - \$1,000; \$1,001 - \$10,000; \$10,001 - \$25,000; \$25,001 - \$100,000; \$100,001 - \$250,000; \$250,001 - \$500,000; \$500,001 - \$1,000,000; \$1,000,001 - \$5,000,000; \$5,000,001 - \$10,000,000; and more than \$10,000,000.

Status: Assembly

AB 2191 (Norby)**County Central Committee Members**Existing Law

The definition of “elective office” expressly includes membership on a county central committee of a qualified political party.

Proposed Law

If this bill is passed by the Legislature and approved by the Governor, it shall be submitted to the voters for approval at a statewide election. The bill would revise the definition of “elective office” to exclude membership on a county central committee of a qualified party and would revise the definition of committee to exclude an entity that is primarily formed to support or oppose a person seeking election to a county central committee of a qualified party. In addition, the bill would prohibit a local government agency from imposing filing requirements or contribution limits on elected members of, or candidates for election to, a county central committee of a qualified political party.

Status: Assembly

AB 2220 (Gatto)**Ballot Pamphlets**Existing Law

The Legislative Analyst is required to prepare an impartial fiscal analysis of each initiative measure that is included in the ballot pamphlet stating whether the measure would increase or decrease any revenue or cost to state or local government. The Legislative Analyst must also prepare for inclusion in the ballot pamphlet a summary statement regarding the general meaning and effect of “yes” and “no” votes on each state measure.

Proposed Law

This bill would require, except as specified, that if a fiscal analysis prepared by the Legislative Analyst determines that a measure would provide an increase in revenues to fund new or existing programs, that specified language be added at the end of the “yes” and “no” summary statement in the ballot pamphlet, advising that unless changed by a future measure approved by the voters, the initiative would forever dedicate the revenue to program identified in the initiative.

Status: Assembly

AB 2239 (Norby)**Repeals Campaign Contribution Limits and Requires 24-Hour Reporting for All \$100 Contributions**Existing Law

The Act imposes limits on contributions that may be made to, or accepted by, candidates for elective state office. The Act also limits contributions to officers of specified agencies from a party to a proceeding before an agency involving a license or permit. In addition, the Act requires candidates and committees to file specified campaign statements, including semiannual, pre-election, and late contribution reports.

Proposed Law

If this bill is passed by the Legislature and approved by the Governor, it shall be submitted to the voters for approval at a statewide election. The bill would repeal limitations on contributions that may be made to, or accepted by, candidates for elective state office. It would also repeal the requirements for most existing campaign filing requirements and would instead require a candidate or committee that makes or receives a contribution of \$100 or more to report that contribution to specified filing officers within 24 hours.

Status: Assembly

AB 2256 (Portantino)**California Legislature Whistleblower Protection Act****Existing Law**

The California Whistleblower Protection Act prohibits a state employee from using his or her official authority or influence to discourage or retaliate against any person in order to interfere with the right of that person to disclose evidence of an improper government activity. The State Auditor is required to investigate disclosures of improper government activities.

Proposed Law

This bill would enact, and would require the Commission to administer, the California Legislature Whistleblower Protection Act (LWPA). The LWPA would prohibit a member or employee of the Legislature from directly or indirectly using or attempting to use his or her official authority or influence to retaliate, threaten, coerce, or engage in any similar improper act for the purpose of interfering with the right of an employee of the Legislature to make a protected disclosure of improper governmental activity or to refuse an illegal order, as defined. Upon receipt of an allegation, the Commission may investigate the matter or may refer the matter to the Senate or Assembly Committee on Rules, the Attorney General, or the appropriate district attorney. The Commission would not have enforcement power.

Status: Assembly

AB 2452 (Ammiano)**Campaign Statements – Electronic Filing for Local Agencies****Existing Law**

Specified candidates, committees, slate mailer organizations, lobbyists, lobbying firms, and lobbyist employers are required to file statements and reports electronically with the Secretary of State. The Act requires some of these entities to also file campaign statements and reports with local filing officers, as specified.

Proposed Law

This bill would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements or reports to file online or electronically with a local filing officer. Specified criteria must be satisfied by a local government agency, including that the system be available free of charge to filers and to the public for viewing the filings. The system must also include a procedure to comply with the requirement that filers sign statements and reports under penalty of perjury.

Status: Assembly

AB 2503 (Norby) – spot bill**Income**

This bill in its current form makes nonsubstantive changes to the Act's definition of "income." There is no substantive language at this time.

Status: Assembly